

Message Text

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ACTION ARA-15

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TAGS: ELAB ETRD SHUM CI
SUBJECT: CHUQUICAMATA: BREAD AND BUTTER TALKS FAIL

REF: SANTIAGO 6704

1. AFTER SEVERAL HOURS IN CLOSED SESSION WITH CODELCO MANAGEMENT, CHUQUICAMATA LABOR LEADERS ANNOUNCED SEPTEMBER 12 THAT THE TALKS HAD FAILED AND THAT THEY WERE RETURNING TO THE MINE. A CODELCO OFFICIAL (VICE PRESIDENT COLONEL GASTON FREZ) AT A NOON PRESS CONFERENCE STATED THAT THE LABOR LEADERS HAD MADE EXORBITANT DEMANDS WHICH WOULD HAVE SET A PRECEDENT IN CHILE WHICH THE COUNTRY WAS NOT YET ABLE TO ACCOMMODATE. HE CONTINUED THAT THE LEADERS HAD WALKED OUT OF THE TALKS AND THAT CODELCO WAS READY TO CONTINUE DISCUSSIONS AT ANY TIME ON A MORE REALISTIC BASIS. FREZ ADDED THAT THE REQUEST FOR AN INCREASE IN WAGES AND SALARIES COULD NOT BE CONSIDERED UNTIL THE NEW LAW ON COLLECTIVE BARGAINING WAS ISSUED SOMETIME AFTER JANUARY 1, 1979 AND THAT IF THE WORKERS HAD WAITED FIVE YEARS THEY CAN WAIT AN ADDITIONAL FIVE MONTHS UNTIL THE NEW LAW COMES OUT. THEY REPORTED THE FINANCE MINISTRY AS HAVING CALCULATED THAT THE VARIOUS

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REQUESTS RECEIVED FROM COPPER WORKERS WOULD COST CODELCO 150 MILLION DOLLARS A YEAR. HE SAID THAT CODELCO HAD BEEN ABLE TO MAINTAIN ITS MARKET BECAUSE OF LOW PRODUCTION COSTS, HIGHER PRODUCTIVITY, ITS TECHNOLOGY AND RESTRICTIONS ON WAGE INCREASE -- BUT NOT BY LOWERING SALARIES. FREZ NOTED THAT THE CHUQUICAMATA REQUEST BY ITSELF WOULD COST THE COMPANY 63 MILLION DOLLARS A YEAR.

AGAINST THIS THE COMPANY HAD ESTIMATED THAT THIS YEAR IT WILL HAVE A PROFIT OF 35 MILLION DOLLARS AND AN INVESTMENT PROGRAM TOTALING OVER 200 MILLION DOLLARS. FREZ REEMPHASIZED THAT THE COMPANY WAS WILLING TO TALK BUT WOULD NOT ACCEPT ANY PRESSURE.

2. ACCORDING TO PEDRO TAPIA, REGIONAL PRESIDENT OF CHUQUICAMATA COPPER WORKERS, MANAGEMENT'S SIDE OF THE TALKS WAS HEADED BY GABRIEL VALS, LABOR RELATIONS MANAGER OF CODELCO. HE REPORTEDLY TOLD THE LABOR LEADERS THAT HE HAD NOT RECEIVED ANY DOCUMENTATION TO SUPPORT THEIR WAGE AND BENEFITS REQUESTS AND COULD NOT CONTINUE DISCUSSIONS UNTIL LABOR PROVIDED MORE INFORMATION ON THE ECONOMIC SITUATION OF CHUQUICAMATA WORKERS AND PROPOSED REASONABLE SOLUTIONS. TAPIA NOTED THAT THE LABOR LEADERS HAD GIVEN THIS DOCUMENTATION TO BOTH THE LABOR MINISTER AND CODELCO AND HAD ASKED SPECIFICALLY FOR AN INCREASE IN THEIR ZONE DIFFERENTIAL FROM 35 PERCENT TO 70 PERCENT OF SALARIES. ALL OTHER INCREASES WERE LEFT TO THE DISCRETION OF THE COMPANY. THESE PAPERS SHOW THAT A BLUE COLLAR WORKER RECEIVED LESS IN 1978 THAN HE DID IN 1972. TAPIA CONTINUED THAT THE DOCUMENTS SHOWED THAT NOW A WELL PAID MINER RECEIVES 211 DOLLARS A MONTH GROSS AND HAS A DISPOSABLE INCOME OF ABOUT 165 DOLLARS A MONTH. PRIVATELY TAPIA TOLD LABATT THAT THE LABOR LEADERS WOULD HAVE TO RETURN TO LIMITED OFFICIAL USE

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CHUQUICAMATA WITH NOTHING TO SHOW FOR A MONTH LONG PROTEST EXCEPT THE STATE OF SIEGE AND SOME 62 PERSONS DETAINED. "EL MERCURIO", SEPTEMBER 13 REPORTS THEM AS BEING "FRUSTRATED AND DISILLUSIONED."

3. BERNARDINO CASTILLO, GOC-APPOINTED PRESIDENT OF THE COPPERWORKERS CONFEDERATION, ANNOUNCED OFFICIALLY THAT A SIMILAR LABOR PROBLEM EXISTED IN THE EL SALVADOR MINE. CASTILLO SAID THAT THE PROBLEM PRE-DATES THE CHUQUICAMATA DISPUTE. AN EL SALVADOR UNION LEADER SAID THAT CASTILLO IS ENGAGED IN ATTEMPTING TO NEGOTIATE A SOLUTION WITH CODELCO TO THE EL SALVADOR GRIEVANCES, BUT HAD NOT INCLUDED EL SALVADOR LEADERS IN THE DISCUSSION. HE ADDED THAT THE "NO LUNCH" ACTION AT EL SALVADOR IS CONTINUING.

4. COMMENT: WE HAVE NOT HEARD THE LAST OF THE CHUQUICAMATA PROBLEM. AS IS FREQUENTLY THE CASE THE GOC IS GIVING CONFLICTING SIGNALS. CODELCO, REPORTEDLY, AT THE REQUEST OF PINOCHET, URGED THE MINE WORKER REPRESENTATIVE TO STAY IN TOWN OVER THIS PAST WEEKEND BUT NOW HAS STONEWALLED THE TALKS. THE SUBSECRETARY

OF MINING REPORTEDLY SAID LAST WEEK THAT AN ECONOMIC PACKAGE FOR CHUQUICAMATA WAS AWAITING THE FINANCE MINISTER'S SIGNATURE, BUT NOW CODELCO SPOKESMEN ARE TALKING ABOUT NO SALARY INCREASES FOR AT LEAST FIVE MONTHS. THERE REMAIN SOME POSSIBILITIES FOR INCREASING VARIOUS ALLOWANCES AND, PERHAPS, THE ZONE DIFFERENTIAL. BUT, FOR THE MOMENT, THE HARDLINERS SEEM TO BE ON TOP. THE EMPTY-HANDED RETURN OF THE LEADERS TO THE MINE WILL FURTHER ALIENATE THOSE WORKERS WHO HAD HOPED THAT IN RESPONSE TO A MODERATE POSITION THE GOC WOULD NEGOTIATE IN GOOD FAITH.

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